



City of Lawton

City Council

Agenda

Lawton City Hall
212 SW 9th Street
Lawton, Oklahoma
73501-3944

Tuesday, October 19, 2021

2:00 PM

**Lawton City Hall
Council Chambers/Auditorium**

Official action can be taken only on items which appear on the agenda. The Council may adopt, approve, ratify, deny, defer, recommend, amend, strike, or continue any agenda item. When more information is needed to act on an item, the Council may refer the matter to the City Manager or the City Attorney. The Council may also refer items to standing committees of the Council or a board, commission, or authority for additional study. Under certain circumstances, items are deferred to a specific later date or stricken from the agenda entirely.

MEETING CALLED TO ORDER WITH INVOCATION AND PLEDGE OF ALLEGIANCE

ROLL CALL

BUSINESS ITEMS:

1. Consider approving a Resolution of the City of Lawton, Oklahoma (the “City”) authorizing and approving the incurring of indebtedness by the trustees of the Lawton Economic Development Authority (herein the “Authority”) to be accomplished by the issuance of its Sales Tax Revenue Refunding Note, Series 2021 or other evidences of indebtedness in one or more series on a tax-exempt or taxable basis, at a premium or discount, in the aggregate principal par amount of not to exceed Twenty-Seven Million, Five Hundred Thousand Dollars (\$27,500,000) (herein the “Note”) for the purpose of refunding the outstanding portion of the Authority’s Tax Apportionment Note Series 2019 (Taxable) and the outstanding portion of the Authority’s Comanche County Industrial Development Authority Note the proceeds of which were used to provide development assistance to the City; and pay costs of issuance related thereto; providing that the organizational document creating the Authority is subject to the provisions of the note indenture authorizing the issuance of said Note; approving the award of the sale of said Note on a negotiated basis, approving the waiver of competitive bidding with respect to the sale of said Note; and approving the proceedings of the Authority pertaining to the sale of said Note; approving and authorizing a Sales Tax Agreement (the “Sales Tax Agreement”) by and between the City and the Authority pertaining to the year-to-year pledge of certain sales tax revenues; and all matters related thereto, including execution of all related documents thereto. [21-576](#)

Attachments: [City Council Resolution Authorizing Indebtedness](#)

2. Receive training from the City’s Disclosure Counsel on the City’s disclosure responsibilities related to the City’s issuance of bonds, etc., under the federal securities laws including Securities & Exchange Commission guidance for council members, overview of disclosure procedures, disclosure standards and the distinction between liability of the City and liability of individual council members. [21-571](#)

ADJOURNMENT

"The City of Lawton encourages participation from all of its citizens. If participation at any public meeting is not possible due to a disability, notification to the City Clerk at (580) 581-3305 at least 48 hours prior to the scheduled meeting is encouraged to make the necessary accommodations. The City may waive the 48-hour rule if interpreters for the deaf (signing) is not the necessary accommodation."



City of Lawton

Lawton City Hall
212 SW 9th Street
Lawton, Oklahoma
73501-3944

Commentary

File #: 21-576

Agenda Date: 10/19/2021

Agenda No: 1.

ITEM TITLE:

Consider approving a Resolution of the City of Lawton, Oklahoma (the "City") authorizing and approving the incurring of indebtedness by the trustees of the Lawton Economic Development Authority (herein the "Authority") to be accomplished by the issuance of its Sales Tax Revenue Refunding Note, Series 2021 or other evidences of indebtedness in one or more series on a tax-exempt or taxable basis, at a premium or discount, in the aggregate principal par amount of not to exceed Twenty-Seven Million, Five Hundred Thousand Dollars (\$27,500,000) (herein the "Note") for the purpose of refunding the outstanding portion of the Authority's Tax Apportionment Note Series 2019 (Taxable) and the outstanding portion of the Authority's Comanche County Industrial Development Authority Note the proceeds of which were used to provide development assistance to the City; and pay costs of issuance related thereto; providing that the organizational document creating the Authority is subject to the provisions of the note indenture authorizing the issuance of said Note; approving the award of the sale of said Note on a negotiated basis, approving the waiver of competitive bidding with respect to the sale of said Note; and approving the proceedings of the Authority pertaining to the sale of said Note; approving and authorizing a Sales Tax Agreement (the "Sales Tax Agreement") by and between the City and the Authority pertaining to the year-to-year pledge of certain sales tax revenues; and all matters related thereto, including execution of all related documents thereto.

INITIATOR: Richard Rogalski - Deputy City Manager

STAFF INFORMATION SOURCE: Richard Rogalski - Deputy City Manager; Tim Wilson - Deputy City Attorney

BACKGROUND: On October 11, 2006, the City approved the Lawton Downtown Economic Development Project Implementation Agreement directing the Lawton Economic Development Authority (LEDA) and the Lawton Urban Renewal Authority (LURA) to proceed with implementation and financing of the Downtown Redevelopment Project. LEDA providing the financing for the project with a note issued by our local banking partners, initially in the amount of \$12,000,000. With this funding LURA acquired the properties in the twelve-block area now known as the Lawton Town Center. After partnering with a hotel developer (Partners in Development) and a retail developer (Collette and Associates) the Lawton Town Center project was developed. To provide funding for infrastructure relocation and improvement, along with LEDA's other responsibilities as included in the redevelopment agreement, LEDA obtained the Series 2013, Lawton Downtown Increment Districts Project note dated March 22, 2013, in the maximum principal amount of \$31,600,000. This note was also funded by our local banks, showing their investment in the redevelopment of Lawton's downtown. The project was constructed and now serves the Lawton Fort Sill community.

The original interest rate on the Series 2013 Note was set at the Prime Rate plus 1.25%, with a minimum rate of 4.5%. At that time the prime rate was low enough that the initial interest rate was 4.5%, being the minimum. Following several years of rising interest rates, in August of 2019, the local banks agreed to reduce the interest rate. The subsequent 2019 Note was set on an annual basis each September 1, based on the Prime Rate with a minimum rate of 4.50% and the maximum rate as allowed by law, which is 14%. This significantly lowered our interest costs and put LEDA in a better position to meet their obligations.

Interest rates have since fallen dramatically and this note can now be refinanced, if backed by City sales tax, to a 2.47% fixed rate. This rate will not only save a little over \$4 million in interest charges, but it also sets the payments at a consistent level, rather than increasing each year as with the current 2019 Series Note and avoids a balloon payment of

approximately \$8.7 million at the end of the term. The proposed 2021 Series Note will have a maturity date of September 1, 2035. **The 2021 Series Note, however, will be secured by three-eighths of one cent (0.375%) sales tax derived from the City's annual general revenue sales tax.**

Also, in 2012, LEDA also borrowed \$1.5 million from the Comanche County Industrial Development Authority (CCIDA) at a fixed interest rate of 3.14%. The money was used towards the construction of the Convention Center adjacent to the new Hilton Garden Inn to promote the tourism and economic development associated with the same. Sales tax revenue generated by the hotel was pledged for the repayment of the note, however the current balance remains at just over \$1.3 million. As the current rate is lower than 3.14% and it would further benefit the community to repay this amount to CCIDA, this amount has been added to the Series 2021 Note.

EXHIBIT: Resolution

KEY ISSUES: N/A

FUNDING SOURCE: LEDA Funds, pledged with three-eighths of one cent (0.375%) sales tax derived from the City's general revenue sales tax.

STAFF RECOMMENDED COUNCIL ACTION: Consider whether to approve the proposed resolution, and if desired, adopt Resolution 21-____, authorizing and approving the incurring of indebtedness by the trustees of the Lawton Economic Development Authority (herein the "Authority") to be accomplished by the issuance of its Sales Tax Revenue Refunding Note, Series 2021 or other evidences of indebtedness in one or more series on a tax-exempt or taxable basis, at a premium or discount, in the aggregate principal par amount of not to exceed Twenty-Seven Million, Five Hundred Thousand Dollars (\$27,500,000) (herein the "Note") for the purpose of refunding the outstanding portion of the Authority's Tax Apportionment Note Series 2019 (Taxable) and the outstanding portion of the Authority's Comanche County Industrial Development Authority Note the proceeds of which were used to provide development assistance to the City; and pay costs of issuance related thereto; providing that the organizational document creating the Authority is subject to the provisions of the note indenture authorizing the issuance of said Note; approving the award of the sale of said Note on a negotiated basis, approving the waiver of competitive bidding with respect to the sale of said Note; and approving the proceedings of the Authority pertaining to the sale of said Note; approving and authorizing a Sales Tax Agreement (the "Sales Tax Agreement") by and between the City and the Authority pertaining to the year-to-year pledge of certain sales tax revenues; and all matters related thereto, including execution of all related documents thereto.

PURSUANT TO THE LEGAL NOTICE AS IS REQUIRED BY THE OKLAHOMA OPEN MEETING ACT INCLUDING THE POSTING OF NOTICE AND AGENDA AS IS REQUIRED BY THE TERMS THEREOF, THE CITY COUNCIL OF THE CITY OF LAWTON, STATE OF OKLAHOMA MET IN SPECIAL MEETING AT THE CITY COUNCIL CHAMBERS, 212 S.W. 9TH, LAWTON, OKLAHOMA, ON THE 19TH DAY OF OCTOBER 2021, AT 2:00 O'CLOCK P.M.

COUNCILMEMBERS PRESENT:

COUNCILMEMBERS ABSENT:

(Other Proceedings)

Thereupon, a resolution was introduced and read in full by the Mayor. Councilmember _____ moved passage of the resolution, and Councilmember _____ seconded the motion. The motion, carrying with it the approval of said resolution, was approved by the following vote:

AYE:

NAY:

The resolution so approved was as follows:

RESOLUTION NO. 21-

A RESOLUTION OF THE CITY OF LAWTON, OKLAHOMA, (THE "CITY") APPROVING AND AUTHORIZING THE INCURRING OF INDEBTEDNESS BY THE TRUSTEES OF THE LAWTON ECONOMIC DEVELOPMENT AUTHORITY (THE "AUTHORITY") TO BE ACCOMPLISHED BY THE ISSUANCE OF ITS SALES TAX REVENUE REFUNDING NOTE, SERIES 2021 OR OTHER EVIDENCES OF INDEBTEDNESS IN ONE OR MORE SERIES ON A TAX-EXEMPT OR TAXABLE BASIS, AT A PREMIUM OR DISCOUNT, IN THE AGGREGATE PRINCIPAL PAR AMOUNT OF NOT TO EXCEED TWENTY-SEVEN MILLION, FIVE HUNDRED THOUSAND DOLLARS (\$27,500,000) (THE "NOTE") FOR THE PURPOSE OF REFUNDING THE OUTSTANDING PORTION OF THE AUTHORITY'S TAX APPORTIONMENT NOTE SERIES 2019 (TAXABLE) AND THE OUTSTANDING PORTION OF THE AUTHORITY'S COMANCHE COUNTY INDUSTRIAL DEVELOPMENT AUTHORITY NOTE THE PROCEEDS OF WHICH WERE USED TO PROVIDE DEVELOPMENT ASSISTANCE TO THE CITY; AND PAY COSTS OF ISSUANCE RELATED THERETO; PROVIDING THAT THE ORGANIZATIONAL DOCUMENT CREATING THE AUTHORITY IS SUBJECT TO THE PROVISIONS OF THE NOTE INDENTURE AUTHORIZING THE ISSUANCE OF SAID NOTE; APPROVING THE AWARD OF THE SALE OF SAID NOTE ON A NEGOTIATED BASIS, APPROVING THE WAIVER OF COMPETITIVE BIDDING WITH

REGARD TO THE SALE OF SAID NOTE; AND APPROVING THE PROCEEDINGS OF THE AUTHORITY PERTAINING TO THE SALE OF SAID NOTE; APPROVING AND AUTHORIZING A SALES TAX AGREEMENT (THE "SALES TAX AGREEMENT") BY AND BETWEEN THE CITY AND THE AUTHORITY PERTAINING TO A YEAR-TO-YEAR PLEDGE OF CERTAIN SALES TAX REVENUES; AND ALL MATTERS RELATED THERETO, INCLUDING EXECUTION OF ALL RELATED DOCUMENTS THERETO.

WHEREAS, the Lawton Economic Development Authority, a public trust (the "Authority"), has been created by a Trust Indenture for the use and benefit of the City of Lawton, Oklahoma (the "City"), under authority of and pursuant to the provisions of Title 60, Oklahoma Statutes 2011, Sections 176-180.4, inclusive, as amended and supplemented, the Oklahoma Trust Act and other applicable statutes of the State of Oklahoma; and

WHEREAS, the Trustees of the Authority have determined upon a financing plan consisting of providing funds for the purpose of refunding the outstanding portion of the Authority's Tax Apportionment Note Series 2019 (Taxable) and the outstanding portion of the Authority's Comanche County Industrial Development Authority Note the proceeds of which were used to provide development assistance to the City; and pay costs of issuance related thereto (collectively, the "Project"); and

WHEREAS, in order to effect the said financing, the Trustees of the Authority intend to incur indebtedness in the aggregate principal par amount of not to exceed Twenty-Seven Million Five Hundred Thousand Dollars (\$27,500,000), said indebtedness to be evidenced by the issuance of its Sales Tax Revenue Refunding Note, Series 2021 or other evidences of indebtedness, in one or more series on a tax-exempt or taxable basis, at a premium or discount (the "Note"), of the Authority pursuant to the terms and conditions contained in a Note Indenture securing the Note (the "Note Indenture");

BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF LAWTON, OKLAHOMA:

SECTION 1. The aforesaid plan and the financing thereof, as submitted, will provide funds for the purpose of refunding the outstanding portion of the Authority's Tax Apportionment Note Series 2019 (Taxable) and the outstanding portion of the Authority's Comanche County Industrial Development Authority Note; and pay costs of issuance related thereto. The aforesaid Project will serve the public purposes of the City and hereby is expressly determined to be in furtherance of the public purposes for which the Authority was created.

SECTION 2. The incurring of indebtedness by the Trustees of the Lawton Economic Development Authority in the aggregate principal par amount of not to exceed Twenty-Seven Million, Five Hundred Thousand Dollars (\$27,500,000) in one or more series on a tax-exempt or taxable basis, at a premium or discount, for the purpose of refunding the outstanding portion of the Authority's Tax Apportionment Note Series 2019 (Taxable) and the outstanding portion of the Authority's Comanche County Industrial Development Authority Note and pay costs of issuance related thereto is hereby consented to, authorized and approved according to the terms and conditions of the Note Indenture,

provided that said Note shall never constitute a debt of the City. Further, the City Council hereby approve, by a three-fourths (3/4) or greater vote, the waiver of competitive bidding with regard to the award of the sale of the Note on a negotiated basis to Truist Bank, or designated affiliate, as purchaser of said Note. Competitive bidding upon the Note evidencing said indebtedness hereby is expressly waived.

SECTION 3. Pursuant to the requirement of 60 O.S. Section 176(E), the City Council of the City of Lawton, Oklahoma, by a two-thirds (2/3) or greater vote, hereby approves and authorizes the incurring of indebtedness by the Lawton Economic Development Authority (herein the "Authority") in a maximum aggregate principal par amount of up to Twenty-Seven Million, Five Hundred Thousand Dollars (\$27,500,000) said indebtedness to be evidenced by the issuance of the Authority's Sales Tax Revenue Refunding Note, Series 2021 or other evidences of indebtedness, in one or more series on a tax-exempt or taxable basis, at a premium or discount (the "Note"), of the Authority pursuant to the terms and conditions contained in a Note Indenture securing the Note, such Note being described and authorized by the Resolution of the Authority of October 19, 2021.

SECTION 4. The pledging of certain sales tax revenues, on a year-to-year basis in connection with soliciting the sale of the Note and the Sales Tax Agreement by and between the City and the Authority and its execution, is hereby approved. It is further affirmed that the organizational document creating the Authority will be subject to the provisions of the Note Indenture authorizing the issuance of said Note.

SECTION 5. The Mayor, Clerk, or Deputy City Clerk of the City representing the city at the closing of the above referenced Note issue are hereby authorized to execute and deliver on behalf of the City any and all certifications and documentation necessary or attendant to the delivery of the Note, as directed by Bond Counsel.

SECTION 6. By reason of the need for debt service savings that can be realized with the Project and for the immediate preservation of the public peace, health and safety, this Resolution shall be effective immediately upon its adoption.

SECTION 7. In all other respects all the actions of the Authority taken on October 19, 2021, with respect to the issuance of the Note and otherwise are hereby and by these presents expressly approved, confirmed, and ratified in all respects.

This resolution shall become effective immediately.

THIS RESOLUTION PASSED AND APPROVED by the City Council of the City of Lawton, Oklahoma this 19th day of October 2021.

CITY OF LAWTON, OKLAHOMA

Stan Booker, Mayor

ATTEST:

Traci Hushbeck, City Clerk

(SEAL)

APPROVED as to form and legality this 19th day of October 2021.

John Ratliff, City Attorney

CERTIFICATE
OF
CITY COUNCIL ACTION

I, the undersigned, hereby certify that I am the duly qualified and acting City Clerk of the City of Lawton, Oklahoma.

I further certify that the City Council of the City of Lawton, Oklahoma, held a Special Meeting at 2:00 P.M. on October 19, 2021, after due notice was given in full compliance with the Oklahoma Open Meeting Act.

I further certify that attached hereto is a full and complete copy of a Resolution that was passed and approved by said City Council at said meeting as the same appears in the official records of my office and that said Resolution is currently in effect and has not been repealed or amended as of this date.

I further certify that below is listed those Councilmembers present and absent at said meeting; those making and seconding the motion that said Resolution be passed and approved; and those voting for and against such motion:

PRESENT:

ABSENT:

MOTION MADE BY:

MOTION SECONDED BY:

AYE:

NAY:

WITNESS MY HAND THIS OCTOBER 19, 2021.

CITY OF LAWTON, OKLAHOMA

(SEAL)

City Clerk



City of Lawton

Lawton City Hall
212 SW 9th Street
Lawton, Oklahoma
73501-3944

Commentary

File #: 21-571

Agenda Date: 10/19/2021

Agenda No: 2.

ITEM TITLE:

Receive training from the City's Disclosure Counsel on the City's disclosure responsibilities related to the City's issuance of bonds, etc., under the federal securities laws including Securities & Exchange Commission guidance for council members, overview of disclosure procedures, disclosure standards and the distinction between liability of the City and liability of individual council members.

INITIATOR: City Attorney - John Ratliff

STAFF INFORMATION SOURCE: Deputy City Attorney - Tim Wilson; Interim Finance Director - Kristin Huntley; Continuing Disclosure Coordinator - Maegan Dowlen

BACKGROUND: As required by City Council Policy No. 4-3 adopted in 2016 and updated in 2019, receive training from the City's Disclosure Counsel on the City's disclosure responsibilities related to the City's issuance of bonds, etc., under the federal securities laws including Securities & Exchange Commission guidance for Council members, overview of disclosure procedures, disclosure standards and the distinction between liability of the City and liability of individual Council members. The aforementioned training will be presented by City's disclosure counsel, Brian Garzione, of Hawkins Delafield & Wood LLP.

EXHIBIT: N/A

KEY ISSUES: N/A

FUNDING SOURCE: N/A

STAFF RECOMMENDED COUNCIL ACTION: Receive training from the City's Disclosure Counsel on the City's disclosure responsibilities related to the City's issuance of bonds, etc., under the federal securities laws including Securities & Exchange Commission guidance for council members, overview of disclosure procedures, disclosure standards and the distinction between liability of the City and liability of individual council members.